

[DISCUSSION DRAFT]

1 **SEC. _____. INVESTMENT OF THE POSTAL SERVICE RE-**

2 **TIREE HEALTH BENEFITS FUND.**

3 Section 8909a(c) of title 5, United States Code, is
4 amended—

5 (1) by striking “(c) The Secretary” and insert-
6 ing “(c)(1) Subject to paragraph (2), the Sec-
7 retary”; and

8 (2) by adding at the end the following:

9 “(2)(A) The Secretary of the Treasury shall imme-
10 diately invest a specified percentage of the Fund, using
11 1 or more qualified professional asset managers, in index
12 funds modeled after those established under subpara-
13 graphs (B), (C), (D) and (E) of section 8438(b)(1). The
14 Secretary shall ensure, to the maximum extent practicable,
15 that the investment replicates the performance of the long-
16 est-term target date asset allocation investment fund es-
17 tablished by the Federal Retirement Thrift Investment
18 Board. Funds invested pursuant to this paragraph shall
19 be considered a means of financing.

20 “(B) In exercising authority under subparagraph (A),
21 including in the selection of specific qualified professional
22 asset managers and in the development of specific invest-

1 ment guidelines to meet the requirement of such subpara-
2 graph, the Secretary shall consult with the Postal Service
3 Retiree Health Benefits Fund Investment Committee.

4 “(C)(i) There is established a Postal Service Retiree
5 Health Benefits Fund Investment Committee that shall
6 consist of—

7 “(I) the Secretary;

8 “(II) the Chairman of the Board of Gov-
9 ernors of the United States Postal Service;

10 “(III) the Chairman of the Federal Retire-
11 ment Thrift Investment Board; and

12 “(IV) 2 members to represent the interests
13 of Postal Service employees and annuitants
14 who—

15 “(aa) are appointed by the President;

16 “(bb) have experience and expertise in
17 the management of financial investments
18 and Postal Service employee benefits; and

19 “(cc) shall serve for a term of 3 years.

20 “(ii) The Postal Service Retiree Health Benefits
21 Fund Investment Committee and each member of such
22 Committee shall be subject to the requirements of sub-
23 sections (b)(1) and (c)(2) of section 8477, in the same
24 manner as applied to a fiduciary with respect to the Thrift
25 Savings Fund under such subsections.

1 “(D)(i) The Secretary shall annually engage an inde-
2 pendent qualified public accountant to audit the financial
3 statements of the investments made pursuant to subpara-
4 graph (A).

5 “(ii) The Secretary shall submit an annual manage-
6 ment report to the Congress not later than 180 days after
7 the end of the each fiscal year that includes—

8 “(I) a statement of financial position;

9 “(II) a statement of operations;

10 “(III) a statement of cash flows;

11 “(IV) a statement on internal accounting and
12 administrative control systems;

13 “(V) the report resulting from an audit of the
14 financial statements of the investments conducted
15 under clause (i); and

16 “(VI) any other comments and information nec-
17 essary to inform the Congress about the operations
18 and financial condition of the investments.

19 “(E) In this paragraph—

20 “(i) ‘specified percentage’ means 25 percent of
21 the currently available portions of the Fund as are
22 not immediately required for payments from the
23 Fund, except that the Postal Service Retiree Health
24 Benefits Fund Investment Committee may specify a
25 higher percentage, not to exceed 30 percent, not ear-

1 lier than 5 years after the date of enactment of the
2 **[[insert short title]]**, and as appropriate thereafter;
3 and
4 “(ii) ‘qualified professional asset manager’ has
5 the meaning given that term in section 8438(a).”.